



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal Nos. 14-07)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives,

Transmittals 14-07 with attached transmittal and policy justification.

Dated: April 15, 2014.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

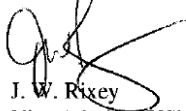
APR 11 2014

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 14-07, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Germany for defense articles and services estimated to cost \$250 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,



J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification



Transmittal No. 14-07

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Germany
- (ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	<u>\$250 million</u>
TOTAL	\$250 million
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: provides for the procurement, integration, and installation of hardware and software to upgrade the aircraft mission computer and acoustic systems, and non-integrated simulator equipment on 8 P-3C aircraft. The hardware and software include A (structural and electrical) and B (Weapon Replaceable Assemblies) kits for future integration into the simulator. Also included are the design, development, integration, testing and installation of a ground-based mission support system (which includes the Portable Aircraft Support System and Fast Time Analyzer System); validation and acceptance; spare and repair parts; support equipment; personnel training and training equipment; publications and technical documentation; U.S. Government and contractor technical, engineering, and logistics support services; and other related elements of logistics support.
- (iv) Military Department: Navy (LHW)
- (v) Prior Related Cases, if any: None
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: None
- (viii) Date Report Delivered to Congress: 11 Apr 14

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Germany – P-3C Aircraft Upgrades and Related Support

The Government of Germany has requested a possible sale for the procurement, integration, and installation of hardware and software to upgrade the aircraft mission computer and acoustic systems, and non-integrated simulator equipment on 8 P-3C aircraft. The hardware and software include A (structural and electrical) and B (Weapon Replaceable Assemblies) kits for future integration into the simulator. Also included are the design, development, integration, testing and installation of a ground-based mission support system (which includes the Portable Aircraft Support System and Fast Time Analyzer System); validation and acceptance; spare and repair parts; support equipment; personnel training and training equipment; publications and technical documentation; U.S. Government and contractor technical, engineering, and logistics support services; and other related elements of logistics support. The estimated cost is \$250 million.

This proposed sale will contribute to the foreign policy and national security of the United States by improving the military capabilities of a NATO ally and enhancing standardization and interoperability with U.S. forces.

This proposed sale will update hardware and software to ensure the P-3 aircraft maintain operational capability. The upgrades will enhance Germany's ability to participate in future coalition operations and will promote continued interoperability. Germany will have no difficulty absorbing this upgraded equipment into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractors will be Lockheed Martin Mission Systems and Training in Owego, New York; General Dynamics in Bloomington, Minnesota; Lockheed Martin Aeronautics Company in Marietta, Georgia; and Lockheed Martin Mission Systems and Training in Manassas, Virginia. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this sale will not require the assignment of any additional U.S. government or contractor representatives to Germany.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.